

16 November 1976

### North Korea Politics

1. There have been a number of reports recently that a "power struggle" of serious dimensions is under way in North Korea. Much of this information is based on rumors instigated by the South Koreans, who have a vested interest in discrediting the regime in Pyongyang. Reliable information on the North is hard to come by, but we have noted some signs of political ferment in Pyongyang -- primarily by reading between the lines in North Korean propaganda. Given the political and economic problems facing Pyongyang, it would be surprising if a certain amount of dissension did not exist. There is no persuasive evidence, however, that current tensions have either posed a challenge to President Kim Il-song's authority or caused a modification in his policies. We believe the following issues are commanding attention in Pyongyang:

- Succession: One of the thornier domestic problems is Kim Il-song's campaign to groom his son as successor. This campaign, now three years old, is being conducted behind closed doors. There have been no direct references in the North Korean press to the son as successor or in any other capacity. We believe that Kim Il-song is moving slowly in

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designating his son as successor to build up the son's political acceptance and legitimacy and also to avoid a lame duck status for himself. There probably is some opposition within the party to the younger Kim's ascendancy, but we believe that this resistance is likely to remain passive so long as Kim senior is around. Kim Il-song is overweight and reportedly has a heart condition, but at 64 he maintains a vigorous schedule of activities.

-- Party Congress Delayed: North Korea was supposed to convene a party congress this year to coincide with the formal ending of the current six year economic development plan (1971-76). Economic problems -- the regime's large international debt and its inability to meet industrial production goals -- are probably a major factor forcing a delay in the congress, which is usually the forum for announcing the next long-term economic plan. The current status of succession campaign may also figure in the postponement.

-- Foreign Policy Difficulties: The Panmunjom incident in mid-August and its aftermath resulted in some loss of support for North Korea in its efforts to build international pressure for a withdrawal of US forces in Korea. We believe that it was primarily

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the North's recognition of this erosion of support that led to the decision not to risk a test of strength in the UN General Assembly this year. The North's image also has been tarnished by the large default on foreign debts and the publicity given the recent smuggling scandal in Scandinavia. Thus far, there have been no signs, however, that these problems have led to any recriminations within the North Korean leadership or that any important leaders have been removed as a result of the difficulties.

2. Outlook: In sum, we see Pyongyang's leaders faced with difficulties that are real but certainly manageable. The populace is long inured to sacrifice and deprivation, and the regime will probably muddle through its current economic difficulties. Assuming the elder Kim remains healthy, the succession issue can be permitted to simmer along indefinitely. In foreign policy we expect Pyongyang to continue to concentrate its efforts in seeking through political and diplomatic moves to achieve a withdrawal of US forces from Korea. The North may feel impelled to cover its recent tactical setbacks by taking a new initiative on the diplomatic front. Any such initiative probably would involve a repackaging of earlier proposals, for example, the bid for bilateral North Korean-US talks on a "peace agreement." Pyongyang almost certainly will want to make an early assessment of the attitude of the

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new US administration.

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